



# 2026 Annual Report

**Taxpayer Advocate  
Office**

Oregon Department of Revenue  
February 2026



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# How We Partner with Sovereign Nations

Native American tribes hold unique political status and are recognized as sovereign governments. This sovereignty means that tribes have the authority to govern themselves, manage their own affairs, and make decisions independent of state laws. We recognize and respect the sovereign status of Oregon's nine federally recognized tribes and their respective authorities on tribal lands.

It is our policy to promote positive government to government relations through consultation with the tribes in areas where the development, implementation, and administration of agency programs may affect tribal members, lands, activities, or interests. We believe that continuing to build on our relationships with the tribes makes our agency more effective overall while supporting our work across the state and region.

Oregon personal income tax law relating to the taxation of Native Americans is found under ORS 316.777 and OAR 150-316-0595. This statute and the associated administrative rules exempt certain income earned by Native Americans in Oregon.

Oregon property tax law relating to the taxation of Indian properties is found under ORS 307.181 and OAR 150-307-0220. This statute and the associated administrative rules exempt certain properties from taxation.

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# Taxpayer Advocate's Statement

As a bridge between the biennial reports required by ORS 305.802, I submit the Oregon Taxpayer Advocate Office's 2026 Annual Report. Similar to biennial reports, these annual reports include descriptions of taxpayer complaints, actions taken toward resolution, taxpayer evaluations of the Department of Revenue's quality of service, barriers to fair and equitable tax collection, and information for policymakers that may provide insight for improvements to the tax system. These reports also address issues and recommendations from the previous biennial report, serving to update the public on ongoing process improvement efforts.

The Oregon Taxpayer Advocate Office was established in 2021 by HB 3373 to assist taxpayers in obtaining information, evaluate complaints, identify barriers to equitable service, provide expeditious service to taxpayers whose issues are not resolved through normal channels, and represent taxpayers' interests in policymaking, among other purposes listed in ORS 305.800. In establishing this office, Oregon followed the example of the IRS and many other states whose official taxpayer advocates are rooted as far back as 1979. HB 3373 drew on this history and best practices by creating ways in which the office will reassure the public of its independence, examining both individual and systemic taxpayer issues, establishing performance metrics, and dedicating sufficient resources to the office. This report demonstrates many of the ways in which the Taxpayer Advocate Office reflects these best practices in its operations.

The Taxpayer Advocate Office received 646 inquiries in 2025. Of these, 118 were elevated to cases for additional research and resources. This level of service aligns well with the office's current capacity to resolve issues and advocate on taxpayers' behalf. Intervention outside the normal process was required in 47% of cases. Debt/collections was the most common topic for cases, with refunds and audits identified as the second- and third-most common; these areas may require specific change advocacy to address systemic problems. Outreach events to small businesses and community groups alongside partnerships with economic development organizations serving American Indian groups (e.g., Economic Development & Community Services Tribal Cluster), low-income working families (e.g., MFS-CASH Oregon), and rural communities (e.g., Ford Family Foundation) also inform the office's activities.

We have also tracked the ongoing efforts to implement recommendations put forward in the previous biennial report. Action has been taken on several of the recommendations related to customer service, with the Personal Income Tax unit making particular

progress with shorter wait times and clearer, more standardized communication with taxpayers. Business tax informational outreach has also improved.

As we move into 2026, we hope to continue improving the equity, transparency, and efficiency of tax collection through our advocacy efforts.

Respectfully submitted,  
Codi Trudell, Oregon Taxpayer Advocate



# Description of the Office

The Taxpayer Advocate Office was established by the 2021 Oregon Legislature's House Bill 3373, which went into effect on January 1, 2022. Prior to the passage of this bill, Oregon was one of only a few states without a taxpayer advocate office; there was no central resource providing taxpayers with access to the Department of Revenue (DOR) to resolve issues which could not be dealt with through the standard channels. According to HB 3373, the purpose of this office is "directly assisting taxpayers... to ensure that taxpayers and their representatives understand and utilize the policies, processes and procedures available for the resolution of problems related to tax programs... administered by the department."

ORS 305.800-803 describes the role and responsibilities of the Taxpayer Advocate. Their main functions are to assist taxpayers in obtaining information, evaluate complaints, identify barriers to equitable service, provide expeditious service to taxpayers whose issues are not resolved through normal channels, and represent taxpayers' interests in policymaking. In order to maintain accountability and transparency, the Taxpayer Advocate is to report to the Oregon Legislative Assembly every two years.

Taxpayers who have exhausted the normal processes but cannot get relief may contact the Taxpayer Advocate Office with their individual issues, and staff may then work with taxpayers to problem-solve, provide information, or expedite DOR service as appropriate. By tracking repeated patterns in these cases, the Taxpayer Advocate Office also identifies systemic issues in DOR processes and procedures and recommends solutions to address them. Prior to the establishment of this office, complex cases and change advocacy were addressed on an ad hoc basis with no formal tracking. The Taxpayer Advocate Office therefore serves as a centralized point of contact for identifying, assisting with, and reporting systemic issues which the DOR can address internally, reducing barriers to compliance and increasing accountability to taxpayers within the DOR.

Because of this centralized role, the Taxpayer Advocate Office also commonly serves as a resource and collaborative partner for community organizations, especially those related to economic development or tax services for vulnerable populations.

The Taxpayer Advocate has statutory authority, is appointed by the director, and housed within the Department of Revenue. This ensures the Taxpayer Advocate remains independent, protects the work of the position, and establishes its authority.

From the perspective of the DOR, these efforts on behalf of taxpayers are advantageous in that they can improve voluntary compliance with tax filing, improve DOR operations, and increase trust in the system.

# Inquiries and Cases

When a taxpayer contacts the Taxpayer Advocate Office, their inquiry is logged in a confidential database to ensure our data is tracked accurately while preserving taxpayers' privacy. The number of inquiries received during the year dropped to 646, a reduction of 35-45% relative to calendar years 2023-2024. Nearly half of taxpayers' inquiries were made through the electronic form on the Taxpayer Advocate webpage, speeding research and response. High form utilization helps us maintain a high level of service.

As in previous years, approximately half of inquiries were addressed by directing taxpayers to the appropriate unit. Another 18% were resolved by answering taxpayers' questions directly, while 16% were directed to a different agency such as Oregon Employment Department or the Internal Revenue Service or were closed due to a lack of response from the customer. The remaining inquiries were elevated to cases due to the additional resources needed to address them.

Out of 646 inquiries, 118 or 18% became cases. This proportion of cases to total inquiries is much more consistent with calendar years 2023-2024, as about one in five inquiries have required case-level investigation across all three years. The most common topics among cases can indicate systemic issues in those areas. In 2023-2024, cases related to refunds were much more common than any other type. In 2025, however, 36% of cases were related to debt/collections while only 23% dealt with refunds. Debt/collections and refunds were the two most common topic areas in 2025, with audit-related cases being the next most common (10% of cases).

There are likely several trends driving this change. First, the Where's My Refund tool and the customer service around refunds were both improved in late 2024 and early 2025 to deliver clearer information and timelines to taxpayers. Timely refund service was also prioritized and improved after a surge in refund work during 2024 significantly delayed refunds for many taxpayers; more timely refunds in 2025 likely led to a decrease in taxpayers contacting the Taxpayer Advocate Office with refund issues. With respect to debt/collections cases rising, the economy in 2025 was impacted by substantial inflation, an extended federal government shutdown, and federal cuts to many anti-poverty food and health programs like SNAP and Medicaid. As more Oregonians face acute economic challenges, they require more help paying state taxes and debts.

Upon contacting the office taxpayers define the reason they are seeking our assistance, which we identify as the “root cause” of a case. Approximately 16% of cases were hardship-related in 2023-2024, but that proportion jumped to 26% (31 cases) in 2025. Hardship was the most common root cause of cases in this year. Untimely response from the DOR was the next most common issue at 23% of cases; this is a substantial drop from 2023-2024 (41-52%). These two factors support both the reduction in wait times due to improved refund processes and the increased financial hardships Oregonians are facing. Other common case root causes in 2025 included poor customer service (9%) and the customer not working through the DOR’s normal channels (9%).



# Taxpayer Advocate Highlights

## 1. Expedited Service to Oregon Taxpayers

The Taxpayer Advocate Office continues to provide expedited service to taxpayers. The majority of inquiries in 2025 were addressed the same day, typically by providing information or referring the taxpayer to the correct contact at the DOR or another agency. Even for inquiries requiring more research or extended correspondence with the taxpayer, 98% were resolved within one week. Cases take more time by their nature, but the median time to close a case was only 5 days and 64% of cases were resolved within one week. Over 75% of cases were resolved within two weeks.

## 2. Advancing Taxpayer Rights and Access

Addressing the confusion, financial hardship, and complex requirements that many taxpayers face requires a coordinated effort across the entire tax ecosystem. The Taxpayer Advocate Office collaborates with diverse organizations to promote taxpayer rights and advance awareness of tax services. Among others, these partners include the IRS Taxpayer Advocate Service, the Oregon State Bar, the Oregon Society of Certified Public Accountants, the Center for Taxpayer Rights, and the Federation of Tax Administrators. The Taxpayer Advocate herself plays an advisory role on the Oregon Financial Empowerment Advisory Team, an educational public-private partnership. The Taxpayer Advocate Office also works to improve access to tax assistance, serving as a trusted resource for taxpayers and a voice for reducing barriers within the DOR. Organizations which serve vulnerable populations, like Metropolitan Family Services (MFS) and the Ford Family Foundation, rely on the Taxpayer Advocate Office for collaboration, advocacy, and technical guidance. We partnered with the Oregon Department of Human Services and MFS-CASH Oregon to develop an interactive map of free tax clinics. This tool expands outreach to low-income individuals who need tax assistance, demonstrating our commitment to practical solutions that improve equity and access. These diverse collaborations are not just routine activities. They represent a strategic effort to build bridges between government, nonprofits, and communities. By fostering partnerships and creating innovative tools, the Taxpayer Advocate Office is reducing barriers, improving compliance, and ensuring that taxpayer rights remain a priority across Oregon's tax administration landscape.

### 3. Service During Federal Shutdown

During the federal government shutdown in October and November of 2025, several of the inquiries received by the Oregon Taxpayer Advocate Office were related to the IRS and federal tax issues. Taxpayers were commonly unsure how to proceed with processes like audits or appeals while IRS services were reduced, and particularly while the IRS Taxpayer Advocate Service was closed. While we have no ability to directly assist with federal taxes, we were still able to serve these Oregonians by providing information about IRS processes and instructions for how to proceed once the federal government was reopened.

# DOR Achievements

## 1. Where's My Refund

In 2024, there was a major backlog of refund work which led to a high volume of Where's My Refund inquiries to both the Taxpayer Services Unit and the Taxpayer Advocate Office. Many taxpayers faced unduly long wait times to have their tax returns processed and receive their refunds. This experience led to the formulation of several strategies by the DOR Customer Experience Center of Excellence. A combination of improved online tools for taxpayers, surge planning for DOR staff, standard timelines for DOR staff to reference and communicate, and other efforts contributed to better customer service in 2025. As stated in the "Inquiries and Cases" section of this report, the Taxpayer Advocate Office saw timeliness of service improve considerably through our case work over that time.

## 2. Direct File Oregon

The DOR debuted Direct File Oregon in 2024 to allow full-year residents to file their personal income tax returns directly with the DOR for free. This program was intended to connect with the IRS Direct File program. Unfortunately, IRS Direct File was cancelled in 2025. The DOR continued its work on Direct File Oregon, however, and Oregonians are still able to utilize this program. While there are still accessibility and translation goals to reach and improve the service, the Taxpayer Advocate Office applauds the work that continues to make Direct File Oregon available to taxpayers.

## 3. Letters Project

The Letters Project is a major part of the DOR's 2022-2027 Strategic Plan. Over 360 different letter types are being updated across all DOR divisions, and significant progress was made on this project during 2025. Changes to letters are focused on clarity and consistency to make them easier for taxpayers to understand. The first updated letters came into production in 2025, and as of November 2025 over 40% of all redesigned letters had been completed. This includes nearly half of letters mailed by the Personal Tax and Compliance division as well as the Property Tax division, and 20% of Business division letters. These updated letter types are currently in production and going out to taxpayers. We wish to highlight one particular letter type, the Statement of Account letter, which was successfully updated in late 2025. This is one of the most common letter types mailed by the DOR and over 900,000 of these letters were mailed

last year. It is very important from a customer service standpoint as it summarizes and explains taxpayers' current debts including penalties and interest. The Statement of Account letter is now clearer and more informative for the thousands of taxpayers who receive them each year.



# Recommendation Updates

## Issue #1

While the Personal Income Tax unit and Customer Experience Center of Excellence have made changes to better manage the return processing pipeline and improve customer service in the last biennium, the full effects of these changes are not yet known. Further, many processes within the Personal Income Tax unit remain opaque which hinders analysis and process improvement.

2024 Recommendation: Continue to monitor the performance of the Personal Income Tax unit in answering taxpayer questions at first contact, working through surges and the existing backlog of returns, and providing refunds in a timely manner.

2025 Update: Last biennium's refund-related process improvements are likely partially responsible for the dramatic decline in refund-related cases during 2025. In particular, there has been a drop in taxpayers frustrated at a lack of timeline information which is directly attributable to changes made by the Taxpayer Services Unit and improvements to the Where's My Refund tool. These factors may have also contributed to the decline in cases rooted in untimely service by the DOR.

## Issue #2

Complicated property tax laws result in time-consuming inquiries.

2024 Recommendation: Oregon property tax law, until changed, will remain complicated. Tax professionals and governing bodies should stay vigilant to seek out methods, improvements, and solutions that will aid taxpayer understanding of these laws.

2025 Update: While the legal framework remains unchanged, the DOR Property Tax Division has made progress in helping taxpayers navigate it. They launched new educational materials with the help of additional funding, increasing awareness of the Senior Deferral Program and other assistance programs. GenTax functionality was expanded to improve access to information, and the industrial appraisal area went live to give taxpayers the ability to directly submit and review the information they provide during tax filing. To ease access for all taxpayers, the Property Tax Division added their

contact information to all of their external websites and are collaborating with stakeholders on ways to improve the design of public-facing applications.

## Issue #3

Free small business tax assistance is not readily available. There have been no measures to promote direct tax preparation or legal assistance for small businesses in the last biennium.

2024 Recommendation: The DOR and other governing bodies should seek out collaborations and opportunities to provide small business owners with tax assistance, which could include grants for small business-specific training, free tax preparation support, and access to legal assistance.

2025 Update: The DOR has made quarterly webinars available to help employers, especially small businesses, navigate state payroll taxes since 2023. Relatively few businesses attended, however, and there were only 8 attendees across all events in 2024. Outreach was revamped in 2025 by working with the DOR Communications team to add training events to the DOR website and GovDelivery bulletins. Improved promotion caused attendance to skyrocket to hundreds of businesses attending trainings each quarter. The Taxpayer Advocate Office has also been able to direct small business owners to this service when fielding withholding-related inquiries, with positive feedback from taxpayers. Lastly, the DOR collaborates with the Department of Consumer Business Services and the Oregon Employment Department to troubleshoot and resolve situations in which their authorities overlap with small business taxation.

## Issue #4

Communication between teams and units within the Department of Revenue suffers from a lack of follow-up, leading to substantial delays in customer service. A lack of consistency in terms also contributes to communication problems, as the language and timelines used with customers varies substantially from team to team and person to person.

2024 Recommendation: Implement training around internal and external communication standards, with a set outline of employee experience so employees and managers will both know what is expected with coaching in this area. This training should give employees the knowledge and skills needed to develop consistency across the agency.

2025 Update: The Customer Experience Center of Excellence has done extensive work together with all contact centers to standardize customer experience across the agency. This includes contact scripting, logging of call wrap-up reasons, and establishing metrics to monitor call center performance. A project to create better coaching and training for contact center staff was initiated, and the Contact Center Modernization Project will make other improvements to the DOR's contact center technology. Ongoing reviews and updates are improving the Interactive Voice Response system for standardization, accuracy, efficiency, and completeness. A variety of improvements were made to Revenue Online for both personal and business taxes as well. Work continues to improve Revenue Online Help information and streamline the online experience for customers. While these customer-facing systems have improved significantly, internal follow-up and communication between divisions and sections remains a barrier to timely service in some cases.

## Issue #5

Direct File Oregon is missing many of the languages and accessibility features of the IRS Direct File program.

2024 Recommendation: The DOR has partnered with the IRS for Direct File in 2025. The Taxpayer Advocate Office supports this partnership. As they work with the IRS, the DOR should strive to match or exceed the accessibility of IRS Direct File, provide feedback to improve the program, and improve Direct File Oregon based on customer feedback so that more Oregonians are able to use these programs and access tax credits. This feedback should be sought from all users, not just those who successfully filed, in order to identify major barriers that prevent customers from completing their returns.

2025 Update: After the IRS cancelled the Direct File program in 2025, the DOR continued its work on Direct File Oregon independently. The program is still available to taxpayers and staff continued to make improvements in 2025.

# Case Studies

The Taxpayer Advocate Office often has the time, resources, and expertise to investigate complaints more deeply than other DOR contact points. This can help us discover key information that allow taxpayers' issues to be resolved. In one such case this year, a taxpayer was penalized for a debt they claimed was not valid. A DOR employee's review of the electronic records upheld the debt after the taxpayer first attempted to resolve the issue. With the opportunity to interview the taxpayer and closely inspect the actual filing documents, the Taxpayer Advocate Office identified a scanning error which had generated the inaccurate debt. DOR staff were alerted to the error and it was quickly resolved in the taxpayer's favor.

The extra attention from a single point of contact can be a particular boon for taxpayers experiencing financial hardship. In 2025, a taxpayer submitted an inquiry to the Taxpayer Advocate Office regarding a debt that was in collections. With the assistance of DOR staff, over a six-week span we were able to answer questions about how the debt originated, the amount owed, how to contest the debt, and how to request corrected documents from an employer. During that time we also referred documents provided by the taxpayer to the proper channels and discussed hardship options including ways to pause the collections. Ultimately, the taxpayer was guided to file documents with the DOR and the debt issue was resolved. While other DOR staff are also able to perform these tasks and help us in the process, providing a single point of contact can make a dramatic difference in customer experience when financial hardship places extra strain on taxpayers.

The Taxpayer Advocate Office rarely acts alone, however. We rely on the hard work of many other DOR employees to provide the best possible service to customers. This was most apparent during a case that took place amid the 2025 government shutdown, when the IRS was largely unable to provide services. A taxpayer needed IRS documentation to help resolve an Oregon tax debt but there was no way to obtain it from the IRS during the shutdown. The Taxpayer Advocate worked directly with staff from multiple DOR units to track down the documents and provide them to the taxpayer. Those staff members did an excellent job of answering the taxpayer's subsequent questions and providing resources and options for resolving the state tax debt.

# Conclusion

The Taxpayer Advocate Office in 2025 continued to provide quality customer service and a single point of contact for taxpayers in need of extra assistance. The newest development was our ability to identify trends in customer cases and progress in DOR efforts. The Taxpayer Advocate Office has now been in operation for four full years, providing quality comparison data between multiple years for the first time. This time span has also allowed us to meaningfully track the DOR's progress on addressing recommendations issued in previous reports, highlighting great strides in customer service as well as identifying areas where improvement efforts are lagging.

As the Taxpayer Advocate Office moves through the biennium, we will have the opportunity to compare statistics and benchmark progress between full biennia for the first time. We hope this will create even more opportunities to identify gaps in customer service as well as areas where the DOR has excelled, providing examples of process improvement that can be emulated and replicated across the agency.

With cases involving financial hardship becoming more common, the work of the Taxpayer Advocate Office is more vital than ever. We are proud of the taxpayer assistance and process improvement efforts that we supported in 2025, and we will continue to deliver on those priorities in 2026.

# Appendix A: Selected Tables

## Overall Inquiry and Case Volume

Year	Inquiries	Cases	Case Percentage
2022	686	66	10%
2023	1188	261	22%
2024	994	242	24%
2025	646	118	18%

## Top 5 Case Types Each Year

2022 Top Types	2022 # Cases	2023 Top Types	2023 # Cases	2024 Top Types	2024 # Cases	2025 Top Types	2025 # Cases
Refund	22	Refund	101	Refund	127	Debt/collection	41
Debt/collection	14	Debt/collection	41	Debt/collection	36	Refund	27
Personal tax	8	Personal tax	29	Appeal	18	Personal tax	12
Audit	6	Audit	22	Personal tax	15	Audit	12
Property tax	5	Business tax	17	Business tax	11	Business tax	7

## Top 5 Case Root Causes Each Year

2022 Top Cause	2022 # Cases	2023 Top Cause	2023 # Cases	2024 Top Cause	2024 # Cases	2025 Top Cause	2025 # Cases
Untimely response	14	Untimely response	88	Untimely response	104	Hardship	32
General inquiry	13	General inquiry	56	Hardship	53	Untimely response	27
Customer service	4	Hardship	39	General inquiry	27	Customer service	11
Hardship	4	Process design	16	Won't work with DOR	20	Won't work with DOR	11
Process design	3	Customer service	11	Inquirer error	9	Inquirer error	10